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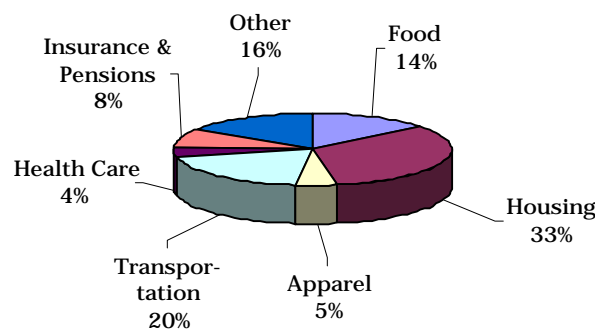
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CONSUMER SPENDING PATTERNS IN THE DETROIT-ANN ARBOR-FLINT AREA, 1997-98

Detroit area consumer units spent an annual average of \$35,658 per year in 1997-98, about the same as the national average. Detroit area consumers spent 8 percent more on transportation and 5.6 percent more on food than the national average. However, out-of-pocket expenses for health care were among the lowest of the eight Midwestern cities and the Nation. (See Table 1.)

The average Detroit household spent a slightly larger share of its total budget for food, housing, and transportation than the average U.S. household. In 1997-98 slightly more than two-thirds of all expenditures went for housing, food and transportation. (See table 2.)

**Detroit Expenditure Shares
Consumer Expenditure Survey, 1997-98**



This report is based on data from the Consumer Expenditure Survey that is conducted on an ongoing basis by the Bureau of Labor Statistics. Survey data are collected for BLS by the Bureau of the Census. This is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population,

climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 33.1 percent of total household expenditures in the Detroit area. Nationally, households spent 32.8 percent on housing in the 1997-98 period, while households in the Cleveland area spent 32.2 percent, and those in the Chicago area, 35.8 percent. The majority of housing expenditures in Detroit (58 percent) went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. About 21 percent of total housing expenditures went for utilities, fuels and services. Both the shelter and the utilities expenditure shares were close to the national averages. The rate of homeownership in Detroit, at 72 percent, was well above the national average of 64 percent.

Transportation was the second largest expenditure category in the Detroit area, accounting for 19.8 percent of all expenditures. This was above the 18.6 percent average for the Nation and the 16.1 percent average for Chicago. Of the \$7,069 annual expenditure on transportation, 93 percent was spent buying and maintaining private vehicles. The remaining 7 percent was spent on public transportation. The average number of vehicles per household in Detroit and the nation was 2.0 . Cleveland households averaged 2.1 vehicles and Chicago households, 1.6.

Detroit consumers spent an average of 14 percent of their budgets on food. Of the amount spent on food, approximately 58 percent was allocated to food eaten at home which was close to the national average of 59 percent. The remaining 42 percent was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

At 8.0 percent, payments for personal insurance and pensions accounted for another large portion of the typical Detroit household budget. However, this was less than the 9.4 percent share spent nationally. Social Security and pension contributions accounted for almost 90 percent of spending in this category.

Spending on apparel and related services accounted for 4.6 percent of total expenditures. This was a smaller portion of the total budget than the 5.5 percent spent by the residents of Chicago and Cleveland.

Four and a half percent of a Detroit area household's budget went to cover out-of-pocket medical expenses -- health insurance premiums, medical services, drugs and medical supplies-- compared to 5.3 percent nationally. This is consistent with the fact that employer-provided health care is a typical compensation benefit provided by Detroit area employers.

Detroit area consumers spent 6.4 percent of their budgets on entertainment, whereas those in Chicago spent 5.0 percent, the same as the national average.

Spending on personal care products, reading material, and miscellaneous items was close to the national average. The 0.9 percent spent on education was below the national average of 1.6 percent.

Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "Tables" on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>).

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data -		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

Cleveland-Akron, OH, includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

Chicago-Gary-Kenosha, IL-IN-WI, includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Minneapolis-St. Paul, MN-WI, includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Pierce, and St. Croix in Wisconsin.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment

income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Detroit	Chicago	Cleveland	Minneapolis- St. Paul
Income before taxes ^{1/}	\$40,770	\$43,557	\$43,160	\$42,142	\$53,543
Average annual expenditures	\$35,097	\$35,658	\$36,497	\$36,450	\$47,198
Food	4,789	5,057	4,978	5,027	5,607
Food at home	2,830	2,920	2,874	3,006	3,253
Food away from home	1,960	2,137	2,105	2,021	2,354
Alcoholic beverages	309	331	312	321	525
Housing	11,509	11,789	13,071	11,721	14,766
Shelter	6,513	6,809	7,695	6,345	8,135
Utilities, fuels and services	2,408	2,505	2,598	2,604	2,292
Household operations	543	492	559	468	736
Housekeeping supplies	469	404	592	476	572
Household furnishings	1,576	1,580	1,627	1,829	3,030
Apparel and services	1,704	1,652	2,007	1,993	1,927
Transportation	6,539	7,069	5,859	6,658	9,129
Vehicle purchases (net outlay)	2,851	2,629	2,557	3,030	4,117
Gasoline and motor oil	1,057	1,055	982	939	1,258
Other vehicle expenses	2,218	2,915	1,766	2,331	3,168
Public transportation	413	470	554	359	585
Health care	1,872	1,604	1,976	1,518	2,184
Entertainment	1,756	2,295	1,828	2,273	2,404
Personal care	401	431	440	398	482
Reading	162	168	157	212	219
Education	575	305	811	795	766
Tobacco	268	352	239	330	276
Miscellaneous	854	830	773	842	1,515
Cash contributions	1,056	872	872	837	1,323
Personal insurance and pensions	3,303	2,903	3,173	3,542	6,075

^{1/} Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Detroit	Chicago	Cleveland	Minneapolis- St. Paul
Income before taxes <u>1</u> /	\$40,770	\$43,557	\$43,160	\$42,142	\$53,543
Age of reference person	47.7	48.6	48.1	48.6	47.3
Earners	1.3	1.3	1.4	1.3	1.5
Vehicles	2.0	2.0	1.6	2.1	2.6
Percent homeowner	64	72	64	71	69
Average annual expenditures	\$35,097	\$35,658	\$36,497	\$36,450	\$47,198
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	14.2	13.6	13.8	11.9
Food at home	8.1	8.2	7.9	8.2	6.9
Food away from home	5.6	6.0	5.8	5.5	5.0
Alcoholic beverages	.9	.9	.9	.9	1.1
Housing	32.8	33.1	35.8	32.2	31.3
Shelter	18.6	19.1	21.1	17.4	17.2
Utilities, fuels and services	6.9	7.0	7.1	7.1	4.9
Household operations	1.5	1.4	1.5	1.3	1.6
Housekeeping supplies	1.3	1.1	1.6	1.3	1.2
Household furnishings	4.5	4.4	4.5	5.0	6.4
Apparel and services	4.9	4.6	5.5	5.5	4.1
Transportation	18.6	19.8	16.1	18.3	19.3
Vehicle purchases (net outlay)	8.1	7.4	7.0	8.3	8.7
Gasoline and motor oil	3.0	3.0	2.7	2.6	2.7
Other vehicle expenses	6.3	8.2	4.8	6.4	6.7
Public transportation	1.2	1.3	1.5	1.0	1.2
Health care	5.3	4.5	5.4	4.2	4.6
Entertainment	5.0	6.4	5.0	6.2	5.1
Personal care	1.1	1.2	1.2	1.1	1.0
Reading	.5	.5	.4	.6	.5
Education	1.6	.9	2.2	2.2	1.6
Tobacco	.8	1.0	.7	.9	.6
Miscellaneous	2.4	2.3	2.1	2.3	3.2
Cash contributions	3.0	2.4	2.4	2.3	2.8
Personal insurance and pensions	9.4	8.1	8.7	9.7	12.9

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions